

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Suits – Arbitration-Sanctioned an amount of Rs.82,51,276/- as full and final settlement of claims in Arbitration Award dated 03.06.1992 in O.P.No:274/1992 in respect of the work relates to construction of tunnel from Km.71.287 to 73.337 of Yeleru Left Main Canal including approach roads entrusted to M/S.Patel Engineering Ltd., Hyderabad vide Agreement No.27/1984-85 dated 05.09.1984 – Orders – Issued.

IRRIGATION & CAD (ARBITRATION) DEPARTMENT

G.O.MS.NO. 163

Dated: 01-12-2011.

Read the following:-

1. From the Hon'ble High Court of A.P., Hyderabad., Order dated 01-06-2009 in CRP.No.4050 of 1993.
2. From Sri B.S.Reddy, President, M/S.Patel Engineering Ltd., Hyderabad, representation dated.18.06.2009.
3. From the Engineer-in-chief(Irrigation), G.D.S. Unit Hyderabad Lr.No.ENC(I)/DCE(GDS)/OT2/AEE2/F-31/18415-A/91/2009, dated.5.6.2010.
4. Govt Memo No. 15348/ARB/2009-6 I & CAD (IW) Dept., dated. 28.05.2010.
5. From the Engineer-in-chief(Irrigation), I&CAD Dept., Hyderabad Lr.No.ENC(I)/DCE(GDS)/OT2/AEE2/F-31/18415-A/91/2009, dated.4.7.2010.

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ORDER

The Engineer in Chief (Irrigation), G.D.S Unit, Hyderabad in his letter 3rd read above, has reported that the work relating to "Construction of tunnel from Km. 71.287 to KM. 73.337 of Yeleru Left Main Canal including approach roads" was entrusted to M/s Patel Engineering Ltd , Hyderabad vide Agreement No. 27/1984-85 dt:05-09-1984 by Superintending Engineer, YRPC Circle, Visakhapatnam. The progress of the work is not as per the time schedule. After serving notices to the contracting firm, the department has issued final notice on 15.12.1986. Disputes were arose between the Contracting firm and department. The contracting firm has filed OS No. 17/1987 before the City Civil Court Hyderabad to stay the action of the department. The Court in its Judgment dt. 04-02-1987 has directed the department to entrust the work to a separate agency and the disputes will be decided by an Arbitrator. The above firm has approached the Principal Subordinate Judge Court, Visakhapatnam, in OS. No. 37/1991 to settle the dispute duly appointing an Arbitrator and. the Court appointed sole Arbitrator on 15-04-1991. The Arbitrator after hearing both sides has passed award on 03-06 -1992. The Department has filed OP No: 224/1992 in the Court of

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Principal Subordinate Judge, Visakhapatnam, to set aside the above Arbitral Award dt.03-06-1992. The above contracting firm has also filed OP No: 274/1992 to make the award as rule of Court. The Principal Sub ordinate Judge Court , Visakhapatnam, in its common order dt . 17-08-1993 while dismissing the OP No. 224/1992 filed by the department has allowed the OP No. 274/1992 filed by the above contracting firm. The department have filed CRP No. 4050/1993 and CMA No:1760/1995 in the Hon'ble High Court of AP., Hyderabad. The above contracting firm has further filed E.P. No: 235/94 in the 1st Sub Court, Visakhapatnam for payment of decretal amount. The department has appealed in the Hon'ble High Court in CMP No. 8035/95 to stay the above EP No: 235/1994. The Hon'ble High Court of AP., Hyderabad in its Order dated: 20-06-1995 has granted interim stay with a direction to the department to deposit half of the decretal charges within three (3) months. The department has further filed CMP No. 9876/1995 by rising additional grounds and in CMA No. 9877/1995 has prayed to modify the Order dt.20-06-1995, which were dismissed by the Hon'ble High Court of AP., Hyderabad. The department have also filed CMA No: 13054/1995 praying for extension of time upto 31-12-1995, which was granted by the Hon'ble High Court of AP., Hyderabad. Special Leave Petition was filed before the Hon'ble Supreme Court and the same was dismissed on 19-01-1996. The department has prayed the Hon'ble High Court in CMP No: 15855/1995 to grant further extension of time upto 31-01-1996. The Government in G.O.Rt No:349, dated .28-05-1996 has issued orders sanctioning an amount of Rs.1,15,47,568/- and the same was deposited in the respective Court. The EP No: 235/1994 which is on the file of Principal Sub ordinate Judge Court , Visakhapatnam, moved for realization of balance amount before 17-05-1998. The Department have filed extension petition in CMP No: 14580/1998 for depositing the amount in Principal Sub ordinate Judge Court , Visakhapatnam upto 25-09-1996. The Hon'ble High Court of AP., Hyderabad, in CRP No: 4050 of 1993, dated. 01-06-2009 has ordered for Conciliation. In pursuance of the these orders, the matter has been discussed in the concerned conciliation committee with the above contracting firm.

2. During the final conciliation with M/s Patel Engineering Limited, Hyderabad represented by its Vice President Sri G.Sreeramulu, has agreed for an amount of Rs. 82,51,276/- as full and final settlement of all its claims .and also promised to withdraw all legal proceedings in respect of the above subject work after realization of agreed amount.

3. The Government, after careful examination of the matter, hereby accord sanction for an amount of Rs 82,51,276/- (Rupees Eighty two lakhs Fifty one thousand and two hundred seventy six only) as full and final settlement of the Arbitration award dt. 03.06.1992 made rule of court in O.P. No. 274/1992 by the Principal Subordinate Judge, Visakhapatnam in respect of work relating to constructions of tunnel from Km.71.287 to 73.337 of Yeleru

Left Main Canal including approach roads entrusted to M/S.Patel Engineering Ltd., Hyderabad vide Agreement No.27/1984-85 dt.5.09.1984., subject to condition, that the above contracting firm shall withdraw all legal proceedings in respect of the above subject work against the Govt. of A.P., or its representative officer, the concerned Chief Engineer/Superintending Engineer is directed to obtain a declaration on Non Judicial stamp paper from the contractor accepting the above sanction amount as full and final settlement before making the payment.

4. The expenditure sanctioned in para (3) above shall be debitale to the detailed Head of Account under “ MH-4701-COL on M&M Irrigation (01)-Major Irrigation (Commercial);MH-116 YRS;GH-11 Normal state plan;SH(27) C&D;530 Major works;531-other Expenditure (Voted)”

5. The Engineer in Chief (Irrigation) I&CAD Dept, Hyderabad is directed to deposit the above sanctioned decretal amount in the Principal Subordinate Judge Court Visakhapatnam in O.P. No. 274/92 for avoiding further legal complications in the matter. He is also directed to instruct the disbursing officer concerned to obtain a declaration from the above Contracting firm accepting the amount as full and final settlement before depositing the above sanctioned amount in the respective court .

6. This order issues with the concurrence of Finance (W&P) Department vide their U.O., No. 3668/F7(A1)/2011-1 dated. 10.11.2011

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

DR. PRASANTA MAHAPATRA
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Engineer – in – Chief (Irrigation), I & CAD Department, Errum manzil, Hyderabad.

Sri B.S.Reddy , Presedent, M/sPatel Engineering Ltd.

12th SqaureBuilding, 3rd Floor,Road No.12, Banjarahills, Hyderabad-34

The Superinteding Engineer, Y.R.P. Circle, Kakinada East Godavari

The Executive Engineer Y.R.C. Division Narsipatnam

The Accountant General, A.P. Hyderabad.

The Director of Works Accounts, A.P Hyderabad.

The District Treasury Officer,Kakinada

The pay and Accounts Officer, Kakinada

Copy to : The P.S. to Spl. Chief Secretary to C.M.

The P.S. to Minister (M & MI)

The P.S to Prl. Secy. to Govt., I&CAD Department.

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The Finance (W&P) Department.
The Law (B) Department
The I & CAD (P&B) Department
S.F/ S.C

//Forwarded: By Order//

Section Officer